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EIGHTH UNITED STATES ARMY  
APO SAN FRANCISCO 96301-0009

EUSA Regulation  
No. 12-16

1 April 1991

(Effective Date 15 April 1991)  
Security Assistance and International Logistics  
MUTUAL LOGISTICS SUPPORT TRANSACTIONS

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SUPPLEMENTATION. Issue of further supplements to this regulation by subordinate commands is prohibited unless prior approval is obtained from HQ EUSA, ATTN: FKJ4-P-G, APO 96301-0009.

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CONTENTS

|           |   | <u>PARAGRAPH</u> | <u>PAGE</u> |
|-----------|---|------------------|-------------|
| CHAPTER 1 | GENERAL   |                  |             |
|           | Purpose   | 1-1              | 1-1         |
|           | Applicability   | 1-2              | 1-1         |
|           | References  | 1-3              | 1-1         |
|           | Explanation of Abbreviations and Terms  | 1-4              | 1-1         |
|           | Responsibilities  | 1-5              | 1-1         |
| CHAPTER 2 | BACKGROUND  |                  |             |
|           | History   | 2-1              | 2-1         |
|           | Limitations   | 2-2              | 2-1         |
|           | Mutual Logistic Support Agreements and<br>Types of Implementing Arrangements                                    | 2-3              | 2-2         |
|           | General Policy  | 2-4              | 2-4         |
| CHAPTER 3 | PROCEDURES  |                  |             |
|           | Requesting, Concluding, and Administering<br>Specific and General Implementing<br>Arrangements                  | 3-1              | 3-1         |
|           | Price Determination and Analysis  | 3-2              | 3-3         |
|           | Finance Policy and Procedures   | 3-3              | 3-6         |
|           | Annual Request of MLS Ceiling Authorization<br>for Reimbursable Acquisitions and Transfers                      | 3-4              | 3-8         |
|           | Advanced Assistance Requesting/Responding   | 3-5              | 3-8         |
|           | Procedures for the 175th Finance and<br>Accounting Office in Processing Mutual<br>Logistic Support Transactions | 3-6              | 3-9         |
| CHAPTER 4 | REPORTS   |                  |             |
|           | Quarterly Report for MLS Transactions   | 4-1              | 4-1         |
|           | Annual Reporting Requirements for MLS<br>Nonreimbursable Transactions   | 4-2              | 4-1         |

|   | <u>PARAGRAPH</u> | <u>PAGE</u> |
|---|------------------|-------------|
| Annual Reporting Requirements for MLS Reimbursable Transactions                             | 4-3              | 4-1         |
| Annual Reporting Requirements for United States Army Accounting and Finance Center (USAAFC) | 4-4              | 4-1         |
| APPENDIXES  |                  |             |
| A. References   |                  | A-1         |
| B. Logistic Support, Supplies, and Services   |                  | B-1         |
| C. Instructions for USFK Form 209EK (Mutual Logistic Support Order/Receipt)                 |                  | C-1         |
| D. Accounting Processing Codes  |                  | D-1         |
| E. MLS Implementing Arrangement Sample Format   |                  | E-1         |
| F. Logistic Advanced Assistance   |                  | F-1         |
| G. Report Format for Reimbursable Purchases and Sales                                       |                  | G-1         |
| H. Report Format for Exchange Transactions (Nonreimbursable Purchases and Sales)            |                  | H-1         |
| I. Nonreciprocal Price Computation  |                  | I-1         |
| GLOSSARY  |                  | Glossary-1  |

CHAPTER 1

GENERAL

1-1. PURPOSE. This regulation establishes procedures for requesting, negotiating, and managing mutual support under the bilateral Mutual Logistics Support (MLS) Agreement (MLSA).

1-2. APPLICABILITY. This regulation does not apply to logistic support acquired by U.S. Army commands and activities from U.S. and foreign commercial sources. This type of logistic support will be obtained according to the Federal Acquisition Regulation (FAR) and other Department of Defense (DOD) policies and procedures.

1-3. REFERENCES. Required and related publications are listed in appendix A.

1-4. EXPLANATION OF TERMS AND ABBREVIATIONS. Abbreviations and special terms used in this regulation are explained in the glossary.

1-5. RESPONSIBILITIES.

a. The EUSA Assistant Chief of Staff (ACofS), G4 will--

(1) Serve as EUSA staff proponent for MLS policy and procedures.

(2) Prepare and submit annual MLS ceiling authorization requests for EUSA and subordinate commands. See paragraph 3-3.

(3) Coordinate with staff offices, HQ, USFK/EUSA, on distribution of MLS ceiling authorizations to U.S. Army commands and activities.

(4) Develop and coordinate policy and procedures for replacement-in-kind (RIK) transactions.

(5) Conclude implementing arrangements (IAs) between U.S. Army commands and the Republic of Korea (ROK) Armed Forces.

(6) Coordinate with Acquisition Management, Resource Management, Staff Judge Advocate, and other appropriate staff agencies before concluding IAs with reimbursable acquisitions.

(7) Coordinate draft IAs as required by USFK Reg 12-16 and USFK Reg 550-51.

(8) Request technical expertise from the head of the appropriate EUSA staff office for the development and appraisal of prices to be included in an IA.

(9) Assign nine-character identification codes for MLS IAs in accordance with (IAW) subparagraph 2-3d(4).

EUSA Reg 12-16

(10) Assign authority to administer IAs to appropriate commanders.

(11) Compile lists of MLS IAs by nine-character identification code (including description) for inclusion in MLS reports.

(12) Compile and maintain a list of all personnel who are authorized to approve MLS transactions. Provide a copy to 175th Finance and Accounting Office (FAO).

b. The ACoS, Acquisition Management (AQ) will--

(1) Develop and coordinate MLS procurement policy in this regulation.

(2) Provide assistance in conducting negotiation of IAs involving reimbursable acquisitions.

c. The Staff Judge Advocate (SJA) will--

(1) Review proposed requests for logistic support to determine eligibility under MLS.

(2) Review all IAs.

(3) Maintain a repository of all approved MLS agreements and IAs.

d. The ACoS, Resource Management (RM) will--

(1) Develop and coordinate policy and procedures for reimbursable acquisitions and transfers.

(2) Consolidate annual reports IAW USFK Reg 12-16.

(3) Provide technical expertise on request for pricing logistic support (AR 37-60).

e. Heads of staff offices, HQ EUSA, with functional responsibilities for logistic support covered in appendix B, will--

(1) Develop requirements for IAs as necessary.

(2) Evaluate requests for IAs from subordinate activities.

(3) Monitor the use of MLS authority within their functional area of responsibility.

f. Commanders of assigned units, and elements of DA commands deployed in Korea will--

(1) Develop drafts of general and specific IAs.

- (2) Submit written drafts for general and specific IAs to HQ EUSA, ATTN: FKJ4-P-G, APO 96301-0009.
- (3) Conduct transactions IAW procedures in chapter 3.
- (4) Consolidate and submit quarterly reports of all MLS transactions conducted by subordinate elements to HQ EUSA, ATTN: FKJ4-RSM, APO 96301-0009.
- (5) Maintain a list of their personnel who are authorized to approve MLS transactions. Provide a copy of the list to HQ EUSA, ATTN: FKJ4-P-G, APO 96301-0009.

## CHAPTER 2

### BACKGROUND

2-1. HISTORY. The NATO Mutual Support Act was signed into law in 1979 to expedite the interchange of logistics support between the United States and other NATO forces. This law was amended to include non-NATO countries; it was approved for Korea in 1987. A U.S.-ROK MLSA was signed in June 1988 and amended in February 1991. The NATO Mutual Support Act--

a. Authorizes acquisition and transfer of logistic support to and from ROK armed forces using the IAs to the mutual support agreement.

b. Renders certain portions of U.S. law inapplicable to the acquisitions that would otherwise apply to U.S. acquisitions. See subparagraph 2-4b.

c. Establishes reciprocal pricing principles that apply to logistic support acquired from, or transferred to, ROK armed forces.

d. Establishes RIK as a permissible means of acquisitions and transfers.

e. Prescribes a total combined annual ceiling of \$10 million for the Army, Air Force, and Navy for reimbursable credits and liabilities. The MLSA also sets a ceiling on the total amount of reimbursable credits and total reimbursable liabilities (before computation of offsetting balances) which can be accrued in any fiscal year (FY) between the U.S. and ROK of \$10 million each. There are no limits during periods of hostilities.

f. Requires annual reports on the use of IAs during the last FY and on projected requirements for the next FY. See chapter 4.

2-2. LIMITATIONS. MLS transactions are subject to the following:

a. The ROK Armed Forces WILL NOT be used as a normal and routine source of logistic support when items and services are reasonably available from U.S. commercial sources. Additionally, the U.S.-ROK MLSA and IAs will not be used to acquire logistic support that is not contemplated by MLS, and which otherwise would be acquired under normal commercial contracting procedures.

b. Only logistic support listed in appendix B will be acquired or transferred.

c. The following items CANNOT be acquired or transferred under the authority of MLS:

(1) Major end items.

(2) Guided missiles.

(3) Chemical and nuclear munitions, other than riot control.

EUSA Reg 12-16

- (4) Authorized slots for attendance at formal courses of instructions.
- (5) Distinctive military uniforms and insignia.
- (6) Major construction.
- (7) Guidance kits for bombs and other ammunition.
- (8) Weapon systems
- (9) Cooperative Airlift
- (10) Naval mines and torpedoes.
- (11) Cartridge and propellant-actuated devices.
- (12) Chaff and Chaff dispensers.

(13) Items on which the value exceeds the limitations on foreign acquisition purchases under the Trade Agreements Act of 1979. As of 1 January 1990 this value was \$172,000.00.

d. MLS does not authorize the reimbursable acquisition of logistic support that is chargeable to an appropriations or fund for which the acquiring command is not authorized to incur obligations.

e. MLS does not authorize reimbursable or nonreimbursable acquisitions to transfer initial quantities of repair parts associated with the initial order quantity of major end items of organizational equipment covered under table of equipment (TOE), table of distribution and allowances (TDA), or similar documents.

f. Only logistic support, supplies and services in the inventory or control of U.S. Armed Forces may be transferred to the ROK Armed Forces.

g. The ROK Armed Forces will not use the U.S. Army as a routine and normal source of logistic support that is available from the U.S. Government through foreign military sales procedures as prescribed in AR 12-8 or reasonably available from U.S. commercial sources.

h. Inventory levels of U.S. Army elements will not be increased to fulfill commitments made under mutual support agreements or IAs.

i. Restrictions in annual DOD appropriation acts apply to acquisitions made under this regulation.

## 2-3. MUTUAL LOGISTIC SUPPORT AGREEMENTS AND TYPES OF IMPLEMENTING ARRANGEMENTS.

a. General. When possible, the acquisition and transfer (that is, sale) of logistic support under the authority of MLS will be accomplished under

USFK or EUSA IAs to the U.S.-ROK MLSA. Commanders will execute transactions under existing IAs. If no applicable IA exists, commanders will submit a draft IA to HQ EUSA, ATTN: FKJ4-P-G, APO 96301-0009 IAW procedures in chapter 3.

b. Implementing Arrangements. HQ EUSA implements the U.S.-ROK MLSA through IAs negotiated by HQ EUSA or major subordinate commands, and concluded by HQ EUSA staff principles, designees or by USFK staff principles for joint IAs. Under these IAs, a EUSA commander agrees to provide or acquire specifically stated types of logistic support to or from the ROK Armed Forces. Liquidation payment can be by cash, RIK, or value-for-value. There are two types of IAs:

(1) Specific Implementing Arrangements. Specific IAs are used to satisfy requirements for support of a particular project or event. These support requirements must be identified and programmed before concluding the IA (for example, the support of a special exercise or project). Support requirements under this type of IA must be quantified and priced far enough in advance (normally from 3 to 9 months, depending on complexity of the requirement), to negotiate and conclude a specific arrangement. Organizations designated in the specific IA will document receipt and delivery of support contained in the arrangement. Procedures for this type of arrangement are in chapter 3.

(2) General Implementing Arrangements. General IAs provide a framework for conducting transactions for recurring logistic support requirements. General IAs identify procedures for conducting transactions for the categories of logistic support covered by the arrangement, to include ordering and billing. General IAs do not contain definite quantities or cost of support. Under general IAs, designated individuals place or accept orders as requirements become known. There are two basic uses for general IAs:

(a) To satisfy unprogrammed, high priority support requirements that can only be met expeditiously under an IA that is already in place when the requirement is identified.

(b) To satisfy support requirements for recurring projects or events by placing orders directly with the other party instead of requesting negotiation of a new specific IA for each recurrence of the project or event (for example, filling support requirements for recurring exercises).

c. Under both uses of a general IA, orders placed under the arrangement have the same function as a contractual document in terms of property and financial accountability. Commanders should consider using general IAs only if the complexity of proposed transactions (that is, unusually high dollar value or extensive price determination or analysis) does not exceed the expertise available to the individuals designated to place and accept orders. For such complex transactions, commanders should consider using a specific IA to satisfy support requirements. Procedures for general IAs are in chapter 3.



## EUSA Reg 12-16

d. Implementing Arrangement Provisions. The following provisions apply to all IAs:

(1) IAs must specifically cite the U.S.-ROK MLSA as the authority for the arrangement.

(2) IAs that obligate funds cannot obligate such funds in excess of their statutory availability. IAs that do not, in themselves, obligate funds may extend for an indefinite period. These IAs will contain a provision specifying that a review must be conducted at least every 5 years.

(3) Peacetime IAs that require continuation in time of war or emergency will include a statement that the applicable logistic support will continue to be provided, if possible, during periods of active hostilities or emergencies subject to national priorities and exigencies of war.

(4) Each IA will be identified by a unique nine-character alphanumeric identification code. This code will be used on all orders, correspondence, documents, and reports pertaining to the IA. The code will be constructed as follows:

(a) The first two characters will be 'US'. The third character will be 'A' for U.S. Army.

(b) The next two characters will be 'RK' for the Republic of Korea. The sixth letter will be 'A' for ROK Army, 'F' for ROK Air Force, 'N' for ROK Navy, 'X' for all ROK services or 'G' for ROK MND.

(c) The last three characters will be the numeric sequence number, for example, the first IA between the Armies would be USA-RKA-001, the third IA with the ROK Air Force would be USA-RKF-003 and so on.

(d) Identification codes will be assigned by HQ EUSA/G4 (FKJ4-P-G).

(e) Table 2-1 provides an overview of the U.S.-ROK MLSA and IAs.

### 2-4. GENERAL POLICY.

a. The authority this regulation implements is in addition to, not in place of, authority given under other U.S. law and Army regulations. The SJA must be consulted before concluding, renewing, or amending any MLS IAs.

b. Acquisition of logistic support under this regulation must be IAW Title 10 USC, chapters 137 and 138. The following provisions of law are rendered inapplicable by 10 USC 2343(b), chapter 138, with respect to such acquisition: 10 USC 2207, 2304(g), 2306(a), 2306(b), 2306(e), 2306(f), and 2313; section 3741 of the revised statutes (that is, RS 3741, 41 USC 22); and section 719 of the Defense Production Act of 1950, as amended (that is, 50 USC appendix 2168).

c. Army commands and activities in Korea will not furnish or make a commitment to furnish support that will adversely affect the mission or readiness of the U.S. Army.

Table 2-1  
Types of Agreements/Arrangements

| TYPES                                | DESCRIPTION   | ADMINISTERED BY   |
|--------------------------------------|---|---|
| MUTUAL LOGISTIC<br>SUPPORT AGREEMENT | <ul style="list-style-type: none"> <li>- Negotiated by USFK.</li> <li>- Contains terms and conditions for mutual logistic support between DOD components and ROK armed forces.</li> <li>- USFK implementing arrangements are negotiated under the authority of Mutual Logistic Support Agreement.</li> <li>- No U.S. Army transactions placed directly under a mutual support agreement except in emergencies.</li> </ul> | <ul style="list-style-type: none"> <li>- Commander of each EUSA major subordinate command, assigned unit, or other DA command conducting transactions (used in emergency situations only).</li> </ul>           |
| SPECIFIC IMPLEMENTING<br>ARRANGEMENT | <ul style="list-style-type: none"> <li>- Negotiated by the Requesting Authority in conjunction with appropriate staff agencies having functional responsibility.</li> <li>- Request 3 to 9 months advance of requirement.</li> <li>- Contains quantified support requirements and certified financial data.</li> </ul>  | <ul style="list-style-type: none"> <li>- Commander of each EUSA major subordinate command, assigned unit, or other DA command tasked to administer the implementing arrangement.</li> </ul>                     |
| GENERAL IMPLEMENTING<br>ARRANGEMENT  | <ul style="list-style-type: none"> <li>- Negotiated by the Requesting Authority in conjunction with appropriate staff agencies having functional responsibility.</li> <li>- Contains terms and conditions for satisfying future requirements for stated types of logistic support.</li> <li>- Does not contain quantified requirements; provides a framework for filling requirements as they become known.</li> </ul>    | <ul style="list-style-type: none"> <li>- Commander of each EUSA major subordinate command, assigned unit, or other DA command authorized to conduct transactions under the implementing arrangement.</li> </ul> |

EUSA Reg 12-16

d. Acquisitions and transfers of logistic support between the U.S. Army and ROK Armed Forces must be carried out using USFK Form 209EK (Mutual Logistic Supply Order/Receipt). See figure C-1.

e. Reimbursable acquisitions and transfers made under this regulation must be IAW annual DOD authorizations and appropriations acts. Reimbursable acquisitions and transfers using MLS authority will not be made unless appropriated funds authorized for this purpose are available. Army commands and activities in Korea are responsible for requirements for reimbursable support and for ensuring that the prerequisite planning, programming, and budgeting for such support are initiated.

f. The EUSA share of the annual DOD ceiling on reimbursable transactions will be provided by USFK/J4. The MLS ceiling authorizations will be distributed annually to designated EUSA units and commands assigned units and DA commands.

g. Actions to replace stocks provided to the ROK Armed Forces on a reimbursable basis will be initiated at the time items are taken from stocks, except when no further requirement exists for such items.

CHAPTER 3

PROCEDURES

3-1. REQUESTING, CONCLUDING, AND ADMINISTERING SPECIFIC AND GENERAL IMPLEMENTING ARRANGEMENTS.

a. Commanders of EUSA major subordinate commands and assigned units, and other DA commands in Korea that need to provide or receive logistic support to or from ROK armed forces will submit drafts of the IAs to HQ EUSA ATTN: FKJ4-P-G. Requests should reach that office at least 90 days prior to the desired support. The ACofS, G4 will staff the request with EUSA staff offices retaining functional responsibility.

b. In evaluating a request, the EUSA staff offices retaining functional responsibility for the project in question will--

(1) Verify that the requested IA is necessary and in the best interest of EUSA.

(2) Obtain prices from responsible EUSA staff offices for logistics support requested. Pricing information will be obtained from the following sources:

(a) ACofS, G4: field services, storage, transportation, and all classes of supply except medical and communications security.

(b) Chief Surgeon: medical services and supplies.

(c) ACofS, Engineer: base operations support, such as use of facilities, minor constructions, facility repair, and maintenance.

(d) ACofS, G3: training and use of training facilities.

(e) ACofS, Information Management: 1st Signal Brigade: communications security.

c. The staff office evaluating the request will either concur with the request and forward it to the ACofS, G4, or will coordinate required changes with the requesting activity. If no agreement can be reached, a recommendation on the disposition of the request will be forwarded to the EUSA Chief of Staff (CofS).

d. The requesting unit will draft a proposed IA using the information provided by the the staff proponent, but will not enter into negotiations with any element of the ROK Government. The following provisions will be included in the draft:

(1) A requirements and cost annex containing the following as a minimum:

(a) Reimbursable acquisitions. Description, quantity, and price of acquisitions by a commander of a EUSA major subordinate command, assigned unit or DA command with complete accounting classification including the account processing code (APC). See appendix D.

(b) Reimbursable transfers. Description, quantity, and price of transfers to the ROK organization. Transfers will be listed by major ROK command or assigned unit or DA command with complete accounting classification including APC.

(c) Statement that all reimbursable transfers or acquisitions will be forwarded to 175th FAO, ATTN: EAFC-A, APO 96301-0009.

(d) Statement that billings will be made at least quarterly, to include the identification codes of transactions.

(e) Statement that reimbursable transactions will be paid in the currency of the supplying country.

(2) Statement that, "The Department of Army obligation under this IA is subject to the availability of funds under United States law," when the exercise, maneuver, or project begins in the next FY or if it extends more than one year.

(3) Instructions for both parties on how to complete the signatory requirements on USFK Form 209EK. See appendix C.

(4) Statement that reimbursable costs will be renegotiated annually by modification to the basic IA.

(5) Statement that logistic supplies will not be transferred to a third party without written authority from the supplying party.

(6) The sample format at appendix E may be used for IAs.

e. The EUSA, ACoS, G4 will coordinate the draft IA with involved staff offices, EUSA major subordinate commands or assigned units and other DA commands and the SJA, and will request authority to negotiate and conclude the IA IAW USFK Reg 550-51. A designee to negotiate and conclude the IA may be named.

f. The EUSA CoS or designee will negotiate and conclude the IA IAW established procedures. Distribution of the IA will be made to the USFK SJA, concerned staff offices, commanders of EUSA major subordinate commands and assigned units, and DA commands involved in the execution of the IA.

g. When a general or specific IA is concluded for the use of a single Army command or activity, the commander of that command or activity will be tasked to administer the arrangement. When a general or specific IA is concluded for the use of numerous Army commands or activities, the arrangement will be administered by each commander who conducts transactions under it.

h. Commanders tasked to administer a specific or general IA will--

(1) Distribute copies of the arrangement to activities that will be authorized to acquire or provide logistic support.

(2) Distribute copies of the arrangement to the servicing resource management office that provided certification of availability of funds and EUSA ceiling authorization for costs.

(3) Provide cost estimates for proposed reimbursable acquisition and transfers for the next FY to HQ EUSA, ATTN: FKJ4-RSM, APO 96301-0009.

(4) Consolidate and report the dollar value of RIK transactions conducted during the FY IAW chapter 4.

(5) Establish procedures for delegating authority in writing to personnel authorized to accept and initiate transactions. Personnel authorized to conduct transactions will read and be familiar with the provisions of this regulation, as well as the terms of the IA under which a transaction is to be conducted. This includes proper completion of USFK Form 209EK.

### 3-2. PRICE DETERMINATION AND ANALYSIS.

a. Price determination and analysis for RIK transactions.

(1) Transactions conducted under an IA may be paid for by RIK (that is, exchange of identical or substantially identical items) provided that authority for this method of payment is contained in the governing IA and agreed on by both parties before the transaction. Both parties also must agree on a replacement schedule, not to exceed the period cited in the IA. The replacement schedule will be entered in block 17 of USFK Form 209EK.

(2) Before conducting an RIK transaction, a determination must be made that the receiving party can and will provide a replacement that is identical or substantially identical to the support provided. To satisfy this requirement, the replacement support must be of similar quality and have the same form, fit, and function as the support provided. Support provided and received does not have to be of equal price but must be of equal value as determined by the appropriate EUSA staff agency.

(3) RIK transactions are not subject to the \$10 million annual ceiling prescribed by Congress. See chapter 2, subparagraph 2-le. There is no annual dollar limitation on the value of logistic support that can be provided or received on a RIK basis.

(4) Commanders authorized to conduct RIK transactions will use USFK Form 209EK completed IAW appendix C.

(5) A transaction initially conducted on a RIK basis but not completed IAW the replacement schedule agreed on by both parties will be converted

automatically to a reimbursable transaction by the supplying party. This conversion will be accomplished by forwarding three copies of the original USFK Form 209EK to the 175th FAO-K. Costs will be the replacement cost of the material or services as of the date replacement was due. A cover letter explaining the circumstances of the defaulted transaction, signed by the responsible commander, must accompany the transaction documentation.

(6) When EUSA provides logistic support on an RIK basis, a price will be entered in block 12 of USFK Form 209EK at the time the support is provided. If an item or service does not have an established DOD price, a price or rate will be estimated based on a similar item or service and prior experience.

(7) RIK transactions will be recorded by the commander executing the transaction IAW the format in appendix H, by IA, by FY. This data will be submitted in an annual consolidated report of RIK transactions to HQ EUSA ATTN: FKJ4-P-G, APO 96301-0009 no later than 20 October.

b. Reciprocal/nonreciprocal pricing analysis. Before an MLS transaction takes place, whether the transaction is conducted on a reimbursable or nonreimbursable basis, a price must be determined for all logistical support involved. The price for any logistical support provided by EUSA to a ROK armed force must be computed IAW the provisions of this paragraph. The price of any logistic support acquired by EUSA from a ROK armed force must be found to be fair and reasonable before the transaction takes place. (Table 3-1 and appendix I provide additional information on price determination and analysis requirements. Also see the EUSA Cost Factor Handbook.) Prices for logistic support must be entered on all source documents that identify authorized dollar amounts to be recorded in financial and property accountability records. Two methods for pricing logistic support are authorized: reciprocal and nonreciprocal.

(1) Reciprocal pricing.

(a) When a EUSA commander provides logistic support under IA that specifies reciprocal pricing, the supplying commander will charge the same prices charged other DOD components for identical support. For supplies in the U.S. Army inventory, the price contained in the Army Master Data File will be charged. Prices for logistic support other than supplies will be coordinated through offices with functional responsibility for the support in question.

(b) Reciprocal pricing is the preferred pricing method. Inherent in the concept of reciprocal pricing is the presumption that the reciprocal price is the best price obtainable and is therefore a fair and reasonable price. Consequently, there is no requirement to perform a price analysis.

(2) Nonreciprocal pricing.

(a) When a commander provides logistic support under an IA that specifies nonreciprocal pricing, prices will be determined IAW foreign military sales pricing in AR 37-60. For additional information, see appendix I.

(b) When a commander acquires logistic support under an IA that specifies nonreciprocal pricing, a determination that the quoted price is fair and reasonable must be made before the transaction takes place. Assistance in conducting this analysis may be requested from ACoFS, Acquisition Management, ATTN: FKAQ, APO 96301-0009.

Table 3-1  
Price analysis

| PRICING METHOD                    | ACQUISITION   | USA TRANSFERS (SALES)  |
|-----------------------------------|---|--|
| RECIPROCAL PRICING                |   |  |
| Replacement-in-kind Transactions. | <ul style="list-style-type: none"> <li>- Price estimate furnished by non-U.S. party.</li> <li>- Price entered on USFK Form 209EK.</li> <li>- No "fair and reasonable" determination required, but assurance must be made that replacement support is of equal value.</li> </ul>                     | <ul style="list-style-type: none"> <li>- U.S. price is equal to standard DOD or Army price.</li> <li>- Price entered on USFK Form 209EK.</li> </ul>  |
| Reimbursable Transactions.        | <ul style="list-style-type: none"> <li>- Non-U.S. party charges price according to reciprocal pricing procedures.</li> <li>- Price entered on USFK Form 209EK.</li> <li>- No "fair and reasonable" determination required.</li> </ul>   | <ul style="list-style-type: none"> <li>- U.S. price is equal to standard DOD or Army price.</li> <li>- Price entered on USFK Form 209EK.</li> </ul>  |
| NONRECIPROCAL PRICING             |   |  |
| Replacement-in-kind Transactions. | <ul style="list-style-type: none"> <li>- Price estimate furnished by non-U.S. party.</li> <li>- Price entered on USFK Form 209EK.</li> <li>- Fair and reasonable determination made at option of U.S. Army party, but assurance must be made that replacement support is of equal value.</li> </ul> | <ul style="list-style-type: none"> <li>- U.S. Army party makes price estimate, including applicable supplementary, accessional, and administrative charges.</li> <li>- Price estimate entered on USFK Form 209EK.</li> </ul> |
| Reimbursable Transactions.        | <ul style="list-style-type: none"> <li>- Exact price entered on USFK Form 209EK.</li> <li>- U.S. Army party must make "fair and reasonable" determination.</li> </ul>   | <ul style="list-style-type: none"> <li>- U.S. Army party computes exact price, including applicable supplementary, accessorial, and administrative charges.</li> </ul>   |



EUSA Reg 12-16

c. Waiving costs. Indirect costs, administrative surcharges, and contract administration costs may be waived on a mutual basis when applying either reciprocal or nonreciprocal pricing principles. This determination must be contained in the governing IA.

d. Document maintenance.

(1) Documents supporting RIK transactions will be maintained by the commander executing the transaction until replacement action has been completed. After completion of replacement action, transaction documents will be retained as required by regulations or for 1 year, whichever is longer.

(2) Documents supporting acquisition or transfer of logistic support other than RIK will be maintained IAW current regulations.

3-3. FINANCE POLICY AND PROCEDURES.

a. Responsibilities.

(1) The EUSA ACoS, G4 (FKJ4-P-G), will--

(a) Provide activities with MLS ceiling dollar authority (received from USFK/J4) for approved transactions. This authority will be provided in writing to the ACoS, Resource Management office, for allocation and fund control management IAW U.S. Army regulations.

(b) Notify the ACoS, Resource Management and Staff Finance Officer of all approved agreements.

(2) The EUSA ACoS, G4 (FKJ4-RSM) will--

(a) Accumulate information on all MLS transactions submitted by subordinate units.

(b) Provide activities conducting transactions under a general IA with the complete accounting classification to include APC. See appendix D.

(c) Maintain data for nonreimbursable transactions that have defaulted to reimbursable acquisitions or transfers and determine related effect on current or subsequent FY appropriations as applicable.

(3) The EUSA ACoS, Resource Management will--

(a) Establish procedures to control obligations, automatic reimbursable orders received, certification of fund availability, certification of MLS authorizations, and MLS documentation.

(b) Ensure delegation of authority for the certification of appropriated funds MLS ceiling authorization involving reimbursable acquisitions and transfers under provisions of this regulation.

(4) The Staff Finance Officer will provide the necessary finance and accounting support for MLS IAs and subsequent transactions.

(5) Major subordinate commanders will--

(a) Ensure contractual requirements have been completed IAW the MLSA.

(b) Process obligations and automatic reimbursable orders received and forward them to FAO IAW EUSA Reg 37-16.

(c) Review STANFINS reports to ensure ceiling authority for reimbursable acquisitions and transfers has not been exceeded.

b. Procedures.

(1) The performing U.S. Army commander will--

(a) Comply with provisions of the MLSA and IAs.

(b) Coordinate with the EUSA ACoS, G4, ATTN: FKJ4-P-G, APO 96301-0009, during the initial planning stage of any MLS project involving reimbursable acquisitions or transfers.

(c) Ensure that completed copies of USFK Form 209EK are provided to the EUSA ACoS, G4, ATTN: FKJ4-RSM-PM, and FAO at the end of the quarter after a transaction has been conducted.

(2) The Finance and Accounting Office will--

(a) Provide necessary STANFINS reports to satisfy reporting requirements for reimbursable acquisitions. Obligations and expense data will be recorded by APCs and element of resource (EOR) codes. Obligations will be the basis for monitoring and reporting MLS authorizations.

(b) Add an FYDOC to the nine-character identification code (subparagraph 2-3d(4)) assigned to each MLS IA. The FYDOC, composed of four digits, identifies the FY and sequential transaction. For example, the third document of FY 91 of the Fourth Army IA would be USA-RKA-004-1003.

(c) All expenses will be incurred by the Operation and Maintenance, Army (OMA) appropriation and then the amount billed to the Military Personnel Army (MPA) appropriation if required.

(d) Use the STANFINS accounts receivable status report to satisfy reporting requirements for reimbursable transfers. The accounts receivable status report will be distributed monthly to the performing activities and the EUSA ACoS, G4, ATTN: FKJ4-RSM-PM, APO 96301-0009. The accounts receivable status report identifies the IA and bill to address of the ROK organization by customer number; identifies the accounting classification by customer number; and monitors reimbursements earned and collected by customer number with current balance as accounts receivable.

EUSA Reg 12-16

(e) Construct the APC master file at the lowest activity level at which expenses will be required to be accumulated or reported. Ensure, as appropriate, that the APC master files and appropriation reimbursement customer files have been updated in coordination with the applicable activity resource office and the EUSA ACoS, G4 (FKJ4-RSM).

(f) Receive copies of USFK Form 209EK from the performing activity in receipt (U.S. Army acquisition) or in delivery (U.S. Army transfer) of logistic support from or to ROK military organizations. Depending on the type of transaction (that is, reimbursable acquisition or transfer), the form, when blocks 14 and 25 are jointly signed, becomes the contractual document and supports the obligations for U.S. Army reimbursable acquisitions or orders received for U.S. Army reimbursable transfers. For reimbursable acquisitions, when block 25 is signed by a U.S. Army representative, the form becomes the U.S. Army receiving report. When block 14 is signed by a U.S. Army representative, the form is a U.S. Army delivery report for reimbursable transfers. Match and attach the applicable USFK Form 209EK reflecting earned reimbursement to the monthly STANFINS billing form (that is, DA Form 445-R (Voucher for Transfers between Appropriations and/or Funds)).

(g) Ensure copies of USFK Form 209EK are distributed to appropriate sections of the FAO for supporting the obligation, orders received, accrued expenditures, earned reimbursement, payment to a ROK organization, and invoicing to ROK organization.

(h) Prepare invoices to ROK organizations.

(i) Forward copies of the accounts receivable status each month to the EUSA ACoS, G4, ATTN: FKJ4-RSM-PM, APO 96301-0009. These reports will reflect dollar values on a cumulative basis beginning with the first quarter of the FY. Reimbursable acquisitions of supplies (including repair parts needed for maintenance) other than petroleum, oil, and lubricants (POL) will be reflected separately from other costs.

**3-4. ANNUAL REQUEST OF MLS CEILING AUTHORIZATION FOR REIMBURSABLE ACQUISITIONS AND TRANSFERS.** EUSA will obtain its share of the DOD ceiling authorization using the following procedures:

a. The EUSA ACoS, G4 (FKJ4-P-G) will notify appropriate DA commands, EUSA staff offices, EUSA major subordinate commands and assigned units, not later than 1 June of the requirement to submit requests for MLS dollar authorizations for the next FY.

b. The EUSA ACoS, G4 (FKJ4-P-G) will consolidate the requests and establish a list of requirements in order of priority in coordination with EUSA staff offices. The consolidated list of dollar ceiling requirements in order of priority will be submitted to USFK, ACoS, J4 for allocation and approval not later than 1 September of each year.

**3-5. ADVANCED ASSISTANCE REQUESTING/RESPONDING.** To request assistance or respond to a request, see the proper format in appendix F.

3-6. PROCEDURES FOR THE 175th FINANCE AND ACCOUNTING OFFICE IN PROCESSING  
MUTUAL LOGISTIC SUPPORT TRANSACTIONS.

a. In cases where EUSA is receiving MLS with reimbursement in currency requirements, the 175th FAO will receive appropriate obligation documents from Funds Control Officers (FCOs) who certify the availability of funds. The FAO will record obligations, expenses, and expenditures in the APC and EOR output (Detail Obligation Reports, STANFINS - Data Query) to monitor obligations and MLS ceilings. The furnishing activity should send requests for payment (that is, invoices) directly to the FAO.

b. In cases where EUSA is furnishing MLS with reimbursement in currency requirements, the supplier will normally be one of the EUSA Supply Support Activities. The supplier must coordinate with the 19th Support Command or 2d Infantry Division Resource Management so that appropriate codes can be loaded in TUFMIS, if necessary. The appropriate FCO must furnish copies of IAs to the FAO so that appropriate customer numbers can be established and cross-referenced. Also, copies of issue documents should be furnished to the FAO to evidence the transaction. Billing statements will be prepared monthly and sent to the activity indicated on the IA for payment.

## CHAPTER 4

### REPORTS

4-1. QUARTERLY REPORT FOR MLS TRANSACTIONS. Quarterly reports for monitoring all MLS transactions will be submitted to EUSA ACofS, G4, ATTN: FKJ4-RSM-PM, APO 96301-0009. (See appendixes G and H for report formats.) Reports will be filed no later than 20 calendar days from the end of the quarter. Reports will provide the status of--

a. Reimbursable authorizations on a cumulative-to-date basis beginning with the first quarter of the FY.

b. RIK transactions on a cumulative-to-date basis beginning with the first quarter of the FY.

4-2. ANNUAL REPORTING REQUIREMENTS FOR MLS NONREIMBURSABLE TRANSACTIONS. The commander of each EUSA major subordinate command, assigned unit, or other DA command will submit a consolidated annual report of RIK transactions conducted by subordinate elements under each applicable IA using the format in appendix H. A separate line will be prepared for each IA used during the FY. Information required to complete the report will be consolidated from USFK Forms 209EK which are maintained according to subparagraph 3-2d by subordinate elements conducting RIK transactions. Data will be forwarded to EUSA ACofS, G4, ATTN: FKJ4-RSM-PM, APO 96301-0009, to arrive no later than 20 October.

4-3. ANNUAL REPORTING REQUIREMENTS FOR MLS REIMBURSABLE TRANSACTIONS.

a. The 175th FAO will prepare an annual report of reimbursable transactions, by identification codes for IAs IAW appendix G. This report will be forwarded to EUSA ACofS, G-4, ATTN: FKJ4-RSM, APO 96301-0009, to arrive no later than 20 October each year.

b. EUSA ACofS, G-4 (FKJ4-RSM) will submit a consolidated report of all reimbursable acquisitions (buy), reimbursable transfers (sell) and RIK transactions to the ACofS, Resource Management, ATTN: FKRM-PB-PAE, APO 96301-0009. This report will be formatted IAW appendix G and/or H and will arrive no later than 1 November.


4-4. ANNUAL REPORTING REQUIREMENTS FOR UNITED STATES ARMY ACCOUNTING AND FINANCE CENTER (USAAFC). The ACofS, Resource Management (FKRM-PB) will prepare an annual report (in the format in appendix G/H) of all MLS transactions by IA number IAW DOD 2010.10. Reports will be forwarded to USAAFC Department 130, ATTN: FINCO-BA, Indianapolis, Indiana 46249-1316 on or before 15 November.

The proponent of this regulation is the Office of the Assistant Chief of Staff, G4. Users are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) to the Commander, EUSA, ATTN: FKJ4-P-G, APO 96301-0009.

FOR THE COMMANDER:

OFFICIAL:

JAMES R. TAYLOR  
Major General, USA  
Chief of Staff

  
GEORGE F. REAVES  
Lieutenant Colonel, AG  
Assistant Adjutant General

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APPENDIX A

REFERENCES

SECTION I. REQUIRED PUBLICATIONS

AR 37-60 (Pricing for Materiel and Services). Cited in subparagraphs 1-5d(3) and 3-2b(2)(a).

EUSA Reg 37-16 (Procedures for Documenting and Reporting Reimbursable Support). Cited in subparagraph 3-3a(5)(b).

EUSA Reg 37-20 (Financial Management and Control of Appropriated Funds). Cited in subparagraph C-1a(2)(a).

USFK Reg 12-16 (Mutual Logistics Support Between the United States Forces and the Republic of Korea Forces). Cited in subparagraphs 1-5a(7) and 1-5d(2).

USFK Reg 550-51 (International Agreements). Cited in subparagraphs 1-5a(7) and 3-1e.

SECTION II. RELATED PUBLICATIONS

AR 12-8 (Foreign Military Sales Operations/Procedures).

AR 12-16 (Mutual Logistics Support between the United States Army and Other North Atlantic Treaty Organization Forces).

AR 37-80 (Finance and Accounting Support for the Army's Security Assistance Programs).

DA Memorandum of Instruction, Fiscal Policy and Procedures for International Mutual Logistics Support, 28 September 1988.

DA Memorandum of Instruction, Unit Exchange of Training and Related Support Between the US Army and Foreign Countries--Fiscal Policy, 6 July 1989.

Defense Production Act of 1950 as amended.

DOD 5105.38-M (Security Assistance Management Manual).

DOD 7290.3-M (Foreign Military Sales Financial Manual).

DOD Directive 2010.9 (Mutual Logistic Support Between the United States and Governments of Eligible Countries and NATO Subsidiary Bodies).

DOD Directive 5160.65-M (Single Manager for Conventional Ammunition: Implementing Joint Conventional Ammunition Policies and Procedures).

EUSA Reg 12-16

DOD Instruction 2010.10 (Mutual Logistics Support Among the United States, Governments of Other NATO Countries, NATO Subsidiary Bodies, and Other Eligible Foreign Countries--Financial Policy).

EUSA Reg 37-100 (The Army Management Structure and Accounting Processing Codes).

Federal Acquisition Regulation (48 Code of Federal Regulations, Parts 1-99) and Department of Defense Federal Acquisition Regulation Supplement (48 Code of Federal Regulations, Parts 200-299).

Mutual Logistics Support Agreement Between the Government of the United States of America and the Government of the Republic of Korea, dated 8 June 1988.

Title 10, United States Code. Chapter 137, (Procurement Generally).

Title 10, United States Code. Chapter 138, (Acquisition and Cross-Servicing Agreements with NATO Allies and Other Countries).

Title 10, United States Code. Section 2207 (Expenditure of Appropriations: Limitations).

Title 10, United States Code. Section 2304 (Competing Requirements for Purchases and Contracts: Formal Advertising: Exceptions).

Title 10, United States Code. Section 2306 (a), (b), (e), and (f) (Kinds of Contracts).

Title 10, United States Code. Section 2313 (Examination of Books and Records of Contractor).

Title 10, United States Code. Section 2343 (Law Applicable to Acquisition and Cross-servicing Agreements).

Title 22, United States Code. Section 2751 et seq, (Arms Export Control Act) as amended.

Title 41, United States Code. Section 22 (Interest of Members of Congress).

Trade Agreements Act of 1979.

USCINCPAC Instruction 4000.6 (Mutual Logistics Support Between the United States and the Governments of Other Countries within the USPACOM Area of Responsibility).



## APPENDIX B

## LOGISTIC SUPPORT, SUPPLIES, AND SERVICES

Examples of logistic support, supplies, and services that are authorized for transactions under MLS Agreement are summarized as follows:

| <u>Category</u>                 | <u>Examples</u>   |
|---------------------------------|---|
| Subsistence.                    | <ul style="list-style-type: none"> <li>- Host nation meals for U.S. troops passing through the lines of communication.</li> <li>- U.S. meals for ROK troops from adjacent formations during exercises, and vice versa.</li> </ul>   |
| Billeting.                      | <ul style="list-style-type: none"> <li>- Acquisition or transfer of rations.</li> <li>- Host nation billeting of U.S. troops passing through the lines of communication.</li> <li>- Temporary shelter for U.S. units.</li> <li>- Bath services for ROK or U.S. troops.</li> </ul>   |
| Transportation.                 | <ul style="list-style-type: none"> <li>- Transportation of personnel and equipment through the lines of communication and to the forward combat zone.</li> <li>- Transportation of one nation's petroleum products in another nation's tankers.</li> <li>- Temporary use of transportation during a training exercise. (<u>DOES NOT INCLUDE</u> aircraft)</li> <li>- <u>DOES NOT INCLUDE:</u> Provisions for Cooperative Exchange.</li> </ul> |
| Petroleum, Oil, and Lubricants. | <ul style="list-style-type: none"> <li>- Refueling of ground vehicles of another force while temporarily in the host's territory.</li> <li>- Refueling of aircraft of another force while temporarily on the host's base.</li> <li>- RIK fuel agreements.</li> <li>- Emergency fuel assistance.</li> </ul>  |
| Clothing.                       | <ul style="list-style-type: none"> <li>- Cold weather items (gloves, thermal underwear, socks) provided on an emergency basis involving adjacent formations of U.S. and ROK units.</li> <li>- Exchange clothing (boots, TA50)</li> <li>- <u>DOES NOT INCLUDE:</u> Provision of distinctive items of military uniform and insignia.</li> </ul>   |
| Medical Services.               | <ul style="list-style-type: none"> <li>- Furnishing or receiving health care services on exercises or joint training programs.</li> <li>- Emergency provision of medical supplies.</li> <li>- Use of medical facilities of another nation on exercises or in case of mass casualties.</li> </ul>  |
| Communications.                 | <ul style="list-style-type: none"> <li>- Field radio operation support.</li> <li>- Use of base or installation communications facilities and equipment.</li> </ul>  |
| Ammunition.                     | <ul style="list-style-type: none"> <li>- Transfers of small arms ammunition between forces on exercises.</li> <li>- RIK ammunition expended at ranges.</li> </ul>   |

EUSA Reg 12-16

- Ammunition (Continued)
- Exchange unit firing to determine compatibility of ammunition between nations and its suitability for use in different weapon systems.
  - Emergency acquisition or provision of ammunition items listed in DOD Directive 5160.65, paragraph IV.
  - DOES NOT INCLUDE: Nuclear ammunition, chemical ammunition (other than riot control), missiles, torpedoes, chaff and chaff dispensers, and guided missiles.
- Base Operations Support and Construction Services Incidental to Base Operations Support.
- Host nation support of U.S. installation.
  - Maintenance of facilities and grounds keeping perimeter security.
  - Laundry services.
  - Minor construction.
  - DOES NOT INCLUDE: Military construction, Army funded projects.
- Storage Services.
- Use of host nation storage, maintenance, and security services.
  - Temporary storage of assets belonging to another force during training exercises.
- Facilities.
- Temporary use of a building with utilities during an exercise.
  - Temporary use of mortuary facilities.
  - Temporary use of other facilities.
  - DOES NOT INCLUDE: Facilities provided free of charge by host nations under Status of Forces Agreement.
- Training Services
- Use of training ranges.
  - Orientation visits between ROK and U.S. combat units.
  - Training of U.S. and ROK forces in aircraft and vehicle cross-servicing.
  - Use of flight simulators.
  - Target services.
  - DOES NOT INCLUDE: Costs for attendance at formal schools.
- Spare Parts and Components
- Mutual spare parts support (PLL).
  - Replacement of defective components in aircraft, vehicles, or other end items.
- Port Services
- Off-loading of U.S. equipment at ROK ports of embarkation.
  - Temporary storage of off-loading equipment.
  - Minor vehicle maintenance (that is, battery recharging, jump starting).
  - Appropriate materiel handling equipment.
- Repair and Maintenance
- Servicing of aircraft or vehicles of one force that are temporarily at another force's base.
  - Vehicle recovery and emergency repair during exercises.

APPENDIX C

INSTRUCTIONS FOR USFK FORM 209EK  
(MUTUAL LOGISTIC SUPPORT ORDER/RECEIPT)

C-1. EUSA major subordinate commands and assigned units and other DA commands in Korea authorized to conduct MLS transactions will document reimbursable and nonreimbursable transactions with USFK Form 209EK (see figure C-1). If another form is used, it must be authorized in the governing IA or MLS acquisition document and must contain all elements of information as found on USFK Form 209EK and the MLS Agreement "minimal essential data elements." This form must be filled out accurately and legibly. The information on the form is vital in financial and property accountability as well as control of U.S. Army MLS resources. USFK Form 209EK will perform the following functions in an transaction:

a. When documenting a transaction under a general IA.

(1) Property accountability. USFK Form 209EK will be used for documenting each MLS transaction regardless of whether the transaction is carried out on a reimbursable or nonreimbursable basis. When properly signed, it reflects the change in ownership of supplies or liability of services to the receiving party. It is the delivery report to the party providing the logistic support and a receiving report to the party in receipt of the logistic support. A copy must be maintained for internal property accountability and to substantiate a nonreimbursable transaction.

(2) Obligation and automatic orders received accountability. A copy of USFK Form 209EK is the contractual or ordering instrument to support an obligation or reimbursable order received under the Army's automatic reimbursable program. Under this condition, the individual who authorizes the reimbursable purchase or transfer or who signs the form will--

(a) Ensure certification of funds availability for reimbursable acquisitions by an individual with delegated fund certification authority IAW EUSA Reg 37-20.

(b) Ensure MLS ceiling authorization is obtained from the supporting resource management office.

(c) Ensure proper pricing methods have been followed according to the basic regulation.

(d) Ensure the complete accounting classification (including APC and fiscal station number) is recorded on USFK Form 209EK.

(e) Ensure block 20 (To Be Forwarded To) address is complete and legible.

(3) Performance accountability.

(a) When logistic support is being acquired, USFK Form 209EK (signed by an authorized U.S. Army representative) will be used to record or support accrued expenditures into the official accounting records. USFK Form 209EK also will be used to support a commercial voucher payment to the ROK.

(b) When logistic support is being transferred, USFK Form 209EK (signed by an authorized U.S. representative) will be used to record earned reimbursements in the official accounting records. USFK Form 209EK will also be used to substantiate U.S. billing to the ROK.

(4) Commercial voucher accountability. When properly signed, USFK Form 209EK will be the contractual instrument and receiving report from an army activity.

b. When documenting a transaction under a specific IA.

(1) Property accountability. Same as a(1) above.

(2) Obligation and automatic orders received accountability. Obligation and automatic reimbursable orders received are recorded based on certified cost data in the IA and not from USFK Form 209EK.

(3) Performance accountability. Same as a(3) above.

(4) Commercial voucher accountability. Because the IA contains cost data and therefore represents the contractual instrument, USFK Form 209EK will be the receiving report.

c. When documenting an acquisition under an MLS acquisition document.

(1) Property accountability. Same as a(1) above.

(2) Obligation accountability. Obligations are recorded based on certified cost data in the MLS acquisition agreement and not from USFK Form 209EK.

(3) Performance accountability. Same as a(3) above.

(4) Commercial voucher accountability. Because the MLS acquisition document contains cost data and therefore represents the contractual instrument, USFK Form 209EK represents the receiving report.

C-2. Detailed procedures for completing USFK Form 209EK are at Table C-1. The information in Table C-1 will be entered in the block indicated on USFK Form 209EK when conducting transactions. Separate instructions are provided for U.S. Army acquisitions and transfers. Table C-2 provides an overview of the role of USFK Form 209EK in MLS transactions.

C-3. After USFK Form 209EK has been completed, the form will be distributed as follows:

a. RIK transactions.

(1) The U.S. Army commander will maintain at least one copy for property accountability purposes and for developing required MLS reports.

(2) If a U.S. Army acquisition conducted on a RIK basis defaults to a reimbursable acquisition, the U.S. Army commander will forward three copies of the form through the supporting RMO to the supporting FAO. The RMO will retain one copy for updating the resource control ledger and will forward one copy to the FAO, ATTN: Accounting Branch, for recording the obligation and one copy to FAO, ATTN: Commercial Accounts Office, for voucher processing of payment.

(3) If a U.S. Army transfer conducted on an RIK basis defaults to a reimbursable transfer, the U.S. Army commander will forward three copies of the form through the supporting RMO to the supporting FAO. The RMO will retain one copy for updating the resource control ledger and will forward two copies to the FAO, ATTN: Accounting Branch, for recording reimbursable orders received and earned reimbursements in the accounting records as well as to support the FAO invoice to the ROK organization.

b. U.S. reimbursable acquisitions.

(1) The U.S. Army commander will maintain at least one copy for property accountability purposes.

(2) When a U.S. reimbursable acquisition is conducted under a specific IA or MLS acquisition document, the form functions as the receiving report. The specific IA or MLS acquisition document contains certified cost data and detailed support requirements and is the document used to record obligations. The U.S. Army activity conducting the transaction (under a specific IA) will forward one copy of the form with block 14 completed to the FAO, ATTN: Accounting Branch, for accrual expenditure update and one copy to the FAO, ATTN: Commercial Accounts Office, for voucher processing of payment. Documents will be forwarded using standard transmittal procedures prescribed by the FAO.

(3) When a U.S. reimbursable acquisition is conducted under a general IA, USFK Form 209EK will be the document that supports the obligation. Two copies of the form (with blocks 15 and 22 signed) will be forwarded to the servicing RMO under transmittal letter procedures. The RMO will retain one copy for resource control ledger processing, and forward one copy to the supporting FAO to record the obligation. When block 14 is completed on the original or duplicate copy of the form, the U.S. Army activity involved will send a copy through the RMO to the FAO, ATTN: Commercial Accounts Office, under transmittal procedures prescribed by the FAO. The form will be used for updating the accrual expenditures and voucher processing of payment.

c. U.S. reimbursable transfers.

(1) The U.S. Army commander will maintain at least one copy for property accountability purposes.

(2) When a U.S. reimbursable transfer is conducted under a specific IA, the form functions as the delivery report. The specific IA that contains certified cost data and detailed support requirements is the document used to record orders received under the U.S. Army's automatic reimbursable program. Under transmittal control procedures designated by the supporting FAO, two copies of the form with block 25 completed (14 if possible) will be forwarded to the FAO, ATTN: Accounting Branch, for recording reimbursement earned in STANFINS and substantiating the FAO invoice to the ROK organization.

(3) When a U.S. reimbursable transfer is conducted under a general IA, USFK Form 209EK will be the document that supports the transfer. Two copies of the form (with blocks 15 and 22 signed) will be forwarded to the servicing RMO under transmittal letter procedures. The RMO will retain one copy for resource control ledger processing, and forward one copy to the supporting FAO to support the reimbursable order received entry in STANFINS. When block 24 (and block 23, if possible) is completed on the original or duplicate copy of the form, the U.S. Army activity involved will forward two copies to the servicing FAO, ATTN: Accounting Branch, for recording reimbursement earned and substantiating the FAO invoice to the ROK Government organization.

| MUTUAL LOGISTIC SUPPORT ORDER/RECEIPT 상호 군수 지원 표준 요청/수령서<br>(USFK REG 12-16) |   |  |                            |                                |                         |  |  |                                    |  |
|--|---|--|----------------------------|--------------------------------|-------------------------|--|--|------------------------------------|--|
| 1. REQUEST NUMBER 요청번호<br>2ID-DIV-005  |   | 3. FROM: 요청자 CPT LEE, SANG SU<br>3RD BN, 23RD REG, 28TH DIV, ROKA  |                            |                                |                         | 5. IMPLEMENTING ARRANGEMENT NUMBER 시행 약정 번호<br>USA-RKA-002 |  |                                    |  |
| 2. DATE OF REQUEST 요청일<br>25 FEB 91  |   | 4. TO: 피요청자 CPT RICHARD A. BURKS<br>1-503 BN, 3RD BDE, 2ND ID, USA   |                            |                                |                         |  |  |                                    |  |
| 6a. FUND CITE 자금부호<br>2020   |   |  |                            |                                |                         | 6b. DATE OF REQUESTED DELIVERY<br>지원 요청 일자<br>5 MAR 91     |  |                                    |  |
| 7. STOCK NUMBER<br>재고번호  | 8. DESCRIPTION (DETAILED DESCRIPTION<br>MAY BE ATTACHED)<br>품목명세(상세한 명세서는 별첨) | 9. UNITS<br>단위   | 10. QUANT.<br>REQD.<br>요청량 | 11. QUANT.<br>DELIVERED<br>지원량 | 12. UNIT<br>PRICE<br>단가 | 13. TOTAL<br>총액  | 14. ISSUING INDIVIDUAL<br>발출관          |                                    |  |
| 1 2840-00-621-1860   | ENGINE (AR-15)  | EA   | 1                          | 1                              | 3915.00                 | 3915.00  | NAME 성명<br>HAROLD A. DYKEMAN           |                                    |  |
| 2 5660-01-251-4482   | BARBED WIRE   | RL   | 5                          | 3                              | 25.00                   | 75.00  | GRADE 계급<br>SFC, USA                   |                                    |  |
| 3 1315-KC445   | 105MM HE KMI W/O FUZE   | RD   | 10                         | 8                              | 107.51                  | 860.08   | SIGNATURE 서명                           |                                    |  |
| 4  | /////////////////LAST ITEM/////////////////                                   |  |                            |                                |                         |  | ORGANIZATION 소속<br>1-503, 3BDE, 2ND ID |                                    |  |
| 5  |   |  |                            |                                |                         |  |  |                                    |  |
| 6  |   |  |                            |                                |                         |  |  |                                    |  |
| 7  |   |  |                            |                                |                         |  |  |                                    |  |
| 15. AUTHORIZING OFFICER<br>승인관   |   | 16. METHOD OF REIMBURSEMENT<br>상환 방법   |                            | PROPOSED<br>제안                 | AGREED<br>동의            | 18. TOTAL AMOUNT CLAIMED<br>총 청구액 \$4850.08                |  | 21. LIABILITY LIMITATION<br>책임부담제한 |  |
| NAME 성명<br>PARK, CHANG HEON  |   | CASH<br>현금지불   |                            |                                |                         | 19. PAYABLE TO: 수납처  |  |                                    |  |
| GRADE 계급<br>LTC, ROKA  |   | REPLACEMENT-IN-KIND<br>현물상환  |                            | X                              | X                       | 20. TO BE FORWARDED TO: 수신처                                |  |                                    |  |
| SIGNATURE 서명   |   | 17. SCHEDULE FOR RIK<br>현물상환 일정  |                            | 30 May 91                      |                         |  |  |                                    |  |
| 22. RECEIVED, INSPECTION AND ACCEPTED<br>검수, 검사 및 수령자                        |   | 23. PLACE OF DELIVERY 지원 제공 장소<br>Deployed Location, Sae Mal, Wonju-kun,<br>3RD BN, 23RD REG, 28TH DIV, ROKA |                            |                                |                         | 25. AUTHORIZED RECEIVING OFFICER<br>인가된 수령관자               |  |                                    |  |
| NAME 성명<br>KANG, MAN SU  |   | 24. REMARKS/TRANSACTIONS CODES 비고 또는 처리부호<br>APC: EAKN TEAM SPIRIT 91  |                            |                                |                         | NAME 성명<br>FORREST E. SMITH                                |  |                                    |  |
| GRADE 계급<br>CPT, ROKA  |   |  |                            |                                |                         | GRADE 계급<br>MAJ, USA                                       |  |                                    |  |
| SIGNATURE 서명   |   |  |                            |                                |                         | SIGNATURE 서명   |  |                                    |  |
|  |   |  |                            |                                |                         | ORGANIZATION 소속<br>1-503, 3BDE, 2ID, USA                   |  |                                    |  |

# EUSA Reg 12-16

Table C-1  
Instructions for Completing USFK Form 209EK

| U.S. Army Receiving Assistance  | Block | U.S. Army Giving Assistance   |
|---|-------|---|
| Unique identifying document number assigned by the U.S. Army unit or activity receiving logistic support from the ROK party.  | 1     | Unique identifying document number assigned by the U.S. Army unit or activity transferring logistic support to the ROK party.   |
| Date of U.S. Army order.  | 2     | Date of ROK order to the U.S. Army unit or activity.  |
| Complete name and address of U.S. Army unit or activity receiving the logistic support from the ROK party.  | 3     | Complete name and address of the ROK party receiving logistic support from the U.S. Army unit or activity.  |
| Name of ROK unit the U.S. is requesting help from.  | 4     | Name of U.S. unit the ROK is requesting support from.   |
| Agreement number, if applicable.<br>Applicable IA or M.S. Acquisition Document identification code.   | 5     | Agreement number, if applicable.<br>Applicable IA or M.S. Acquisition Document identification code.   |
| RIK Transaction: The basic appropriation symbol (for example, 2020 for operation and maintenance, Army, appropriation) is the only required entry. Reimbursable Transaction: Complete accounting classification (as is normally entered on and obligation document for reimbursable purchases) will be entered. Accounting classification is obtained from the supporting RMO. When conducting transactions under a specific IA, the accounting classification is the same as found in the IA. When conducting transactions under a general or specific IA, the accounting classification will include a unique activity APC correlated to the IA. The unit or activity involved will coordinate with the supporting RMO and FAO so the STANFINS APC master files can be updated before conducting transactions under the IA. | 6a    | RIK Transaction: The basic appropriation symbol (for example, 2020 for operation and maintenance, Army appropriation) is the only required entry. Reimbursable Transaction: Complete accounting classification will be entered. The accounting classification is obtained from the supporting RMO. When conducting transactions under a specific IA, the accounting classification is the same as contained in the specific IA. When conducting transactions under a general or specific IA, the accounting classification will include a unique activity APC correlated to the IA. The unit or activity involved will coordinate with the RMO and FAO so the STANFINS APC and customer files can be updated before conducting transactions under the IA. |
| Date of requested delivery or when services are to begin.   | 6b    | Date of requested delivery or when services are to begin.   |
| Self-explanatory.   | 7     | Self-explanatory.   |
| Complete description of acquisition.  | 8     | Complete description of transfer.   |
| Self-explanatory.   | 9     | Self-explanatory.   |
| Self-explanatory.   | 10    | Self-explanatory.   |
| Actual quantity received from the ROK unit or activity by the U.S. Army representative.   | 11    | Actual quantity delivered to the ROK unit or activity.  |
| Self-explanatory.   | 12    | Self-explanatory.   |
| Total cost of each line item; computed using price times actual quantity received.  | 13    | Total cost of each line item; computed using price times actual quantity received.  |
| No entry necessary unless required by the ROK unit or activity.   | 14    | Signature, date, printed name, rank, and organization of U.S. Army representative issuing the logistic support to the ROK activity. Blocks 22 and 24 substantiate U.S. Army resources sold to the ROK unit or activity and supports the invoice from the U.S.   |



Table C-1 (Continued)  
Instructions for Completing USFK Form 209EK

| U.S. Army Receiving Assistance  | Block | U.S. Army Giving Assistance   |
|---|-------|---|
| Enter signature, date, printed name, rank, and organization of U.S. Army representative. See block 25.  | 15    | Enter signature, date, printed name, rank, and organization of ROK representative. See block 25.  |
| Check either deferred reimbursement (normal billing process) or replacement-in-kind.  | 16    | Check either deferred reimbursement (normal billing process) or replacement-in-kind.  |
| Schedule for RIK Exchange: The target date for replacement of the logistic support acquired on replacement-in-kind basis.   | 17    | Schedule for RIK Exchange: The target date for replacement of the logistic support acquired on replacement-in-kind basis.   |
| Total of all line items expressed in won.   | 18    | Total of all line items expressed in dollars.   |
| Complete name and address of the ROK unit or activity providing the logistic support.   | 19    | Complete name and address of the U.S. Army unit or activity providing the logistic support.   |
| The complete name and civilian address of the supporting U.S. Army FAO is printed on the back of the form.  | 20    | The complete name and address of the ROK organization that will receive the U.S. Army FAO invoice is printed on the back of the form.   |
| If exact price of something is unknown and must be purchased through a Korean contractor this is the maximum that will be paid.   | 21    | If exact price of something is unknown, and must be purchased through a U.S. contractor, this is the maximum that will be paid.   |
| Signature, date, printed name, and organization of U.S. Army representative receiving logistic support from the ROK unit or activity.   | 22    | Signature, date, printed name, and organization of ROK representative receiving logistic support from the U.S. Army unit or activity. This signature substantiates U.S. Army unit or activity resources given to ROK unit or activity and supports the invoice from the U.S. FAO.   |
| Accounting Processing: Enter applicable code for reimbursable or RIK transaction from appendix D. When a RIK transaction defaults to a reimbursable transaction, the old transaction code will be lined out and the new transactions code will be added.  | 23    | Accounting Processing: Enter applicable code for reimbursable or RIK transaction from appendix D. When a RIK transaction defaults to a reimbursable transaction, the old transaction code will be lined out and the new transaction code will be added.   |
| Place of Delivery: Location where U.S. Army unit or activity will replace logistic support acquired on replacement-in-kind basis.   | 24    | Place of Delivery: Location where ROK unit or activity will replace logistic support acquired on replacement-in-kind basis.   |
| Entry will be complete by the ROK representative agreeing to the terms cited on the form and contained in the governing IA. Name, date, rank, and organization will be printed clearly. Under a general IA, the signature of the U.S. Army representative and date in block 15 and the signature of the non-U.S. representative and date in block 25 make the form a valid contractual document. The signed document will be used to support a U.S. Army obligation. Blocks 15 and 25 will be completed before delivery and acceptance of the logistic support. | 25    | Entry will be completed by the U.S. Army representative agreeing to the terms cited on the form and contained in the governing IA. Name, date, rank, and organization will be printed clearly. Under a general IA, the signature of the ROK representative in block 15 and the signature of the U.S. Army representative in block 25 make the form a valid contractual document. The signed document will be used to support the U.S. Army automatic reimbursable order received. Blocks 15 and 25 will be completed before delivery of the logistic support. |

Table C-2  
Implementing Arrangements

| TYPE OF IMPLEMENTING<br>ARRANGEMENT  | U.S. ARMY ACQUISITION   | U.S. ARMY TRANSFER (SALE)   |
|--------------------------------------|---|---|
| SPECIFIC IMPLEMENTING<br>ARRANGEMENT |   |   |
| Replacement-in-kind<br>Transaction   | <ul style="list-style-type: none"> <li>- Documents receipt of logistic support.</li> <li>- Supports the contingent liability of the U.S. Army until replacement is made.</li> <li>- Supports the payment by the U.S. Army if the transaction defaults to reimbursable status.</li> </ul>  | <ul style="list-style-type: none"> <li>- Documents delivery of logistic support.</li> <li>- Supports the contingent liability of the ROK party until replacement is made.</li> <li>- Support the payment by the ROK party if the transaction defaults to reimbursable status.</li> </ul>  |
| Value-for-Value                      | NOT USED AT THIS TIME   |   |
| Reimbursable<br>Transaction          | <ul style="list-style-type: none"> <li>- Documents receipt of logistic support (that is, serves as receiving report).</li> <li>- Supports accrued expenditures and payment voucher in the official accounting records of the U.S. Army.</li> <li>- Does not represent the contractual (ordering) instrument to support the U.S. Army obligation and ordering authority; these functions are performed by the specific IA itself.</li> </ul> | <ul style="list-style-type: none"> <li>- Documents delivery of logistic support.</li> <li>- Supports earned reimbursement entry in the official accounting records of the U.S. Army.</li> <li>- Does not represent the reimbursable order received under the U.S. Army's automatic reimbursable program nor does it represent the ordering authority; these functions are performed by the specific IA itself.</li> </ul> |
| GENERAL IMPLEMENTING<br>ARRANGEMENT  |   |   |
| Replacement-in-kind<br>Transaction   | <ul style="list-style-type: none"> <li>- Same as replacement-in-kind transaction under a specific IA.</li> </ul>  | <ul style="list-style-type: none"> <li>- Same as replacement-in-kind transaction under a specific IA.</li> </ul>  |
| Value-for-Value                      | NOT USED AT THIS TIME   |   |
| Reimbursable<br>Transaction          | <ul style="list-style-type: none"> <li>- Represents the contractual (ordering) instrument to support the U.S. Army obligation of funds.</li> <li>- Documents receipt of logistic support (that is, serves as receiving report).</li> <li>- Supports accrued expenditures in official accounting records of the U.S. Army.</li> <li>- Provides basis for commercial voucher accountability.</li> </ul>                                       | <ul style="list-style-type: none"> <li>- Represents the contractual (ordering) instrument to support the reimbursable order received under the US Army's automatic reimbursable program.</li> <li>- Documents delivery of logistic support.</li> <li>- Supports earned reimbursement entry in official accounting records of the U.S. Army.</li> <li>- Provides basis for commercial voucher accountability.</li> </ul>   |

## APPENDIX D

## ACCOUNTING PROCESSING CODES

APCs are required to identify and capture the cost of logistic support, supplies, and services purchased from the ROK IAW DOD Directive 2010.9. APCs will be revised/added/deleted as required. EUSA Reg 37-100 contains updated APC listings.

| <u>DESCRIPTION</u>           | <u>DODAAC</u> | <u>AMS CODE</u> | <u>APC</u> | <u>RA</u> | <u>MOEP</u> |
|------------------------------|---------------|-----------------|------------|-----------|-------------|
| MUTUAL SUPPORT - CFA         | WT4KAL        | 202096.BHMCA    | EAKM       | AE        | QSUP        |
| MUTUAL SUPPORT - 2ID         | WT4KAL        | 202096.BHMCA    | EAKN       | AE        | QSUP        |
| MUTUAL SUPPORT - 19TH SUPCOM | WT4KAL        | 202096.BHMCA    | EAKP       | AE        | QSUP        |
| MUTUAL SUPPORT - 2ND ENG     | WT4KAL        | 202096.BHMCA    | EAKR       | AE        | QSUP        |
| MUTUAL SUPPORT - 17TH AV     | WT4KAL        | 202096.BHMCA    | EAKS       | AE        | QSUP        |
| MUTUAL SUPPORT - 8TH PER     | WT4KAL        | 202096.BHMCA    | EAKT       | AE        | QSUP        |
| MUTUAL SUPPORT - 8TH MP      | WT4KAL        | 202096.BHMCA    | EAKU       | AE        | QSUP        |
| MUTUAL SUPPORT - 18TH MED    | WT4KAL        | 202096.BHMCA    | EAKV       | AE        | QSUP        |
| MUTUAL SUPPORT - UNCSF       | WT4KAL        | 202096.BHMCA    | EAKZ       | AE        | QSUP        |

## To Be Determined:

MUTUAL SUPPORT - 501ST MI BDE  
 MUTUAL SUPPORT - 1ST SIG BDE  
 MUTUAL SUPPORT - 7TH REGION CID  
 MUTUAL SUPPORT - AFKN  
 MUTUAL SUPPORT - D-SAFE  
 MUTUAL SUPPORT - SUSLAK  
 MUTUAL SUPPORT - USA-SSC  
 MUTUAL SUPPORT - MTMC

APPENDIX E

MLS IMPLEMENTING ARRANGEMENT SAMPLE FORMAT

MUTUAL LOGISTICS SUPPORT AGREEMENT

IMPLEMENTING ARRANGEMENT US\* - RK\*-\*\*\*

BETWEEN

(Enter name of U.S. party)

AND

(Enter name of ROK party)

CONCERNING

(Enter nature of logistics support; for example, Exercise Support  
Acquisition of Services Support)

ARTICLE I - AUTHORITY

This document is an implementing arrangement (IA) as contemplated by Article III, paragraph 2 and defined by Article II, paragraph b of the Mutual Logistics Support Agreement (MLSA) between the United States of America, and the Government of the Republic of Korea, dated 8 Jun 88 and is subject to all other provisions of that agreement.

ARTICLE II - PURPOSE

(Enter brief purpose of the arrangement, outlining the nature of logistics support and names of parties involved (that is, the purpose of this arrangement is to establish basic terms and conditions for truck repair during Team Spirit, between the EUSA and the ROK Army.))

ARTICLE III - IMPLEMENTATION AND DELEGATION OF ORDERING AUTHORITY

1. The (ROK activity) responsible for placing and accepting orders under this IA is: (Unit, Telephone Number, Message Address, Mailing Address).
2. The (U.S. activity) responsible for placing and accepting orders under this IA is: (Unit, Telephone Number, Message Address, Mailing Address).

ARTICLE IV - GENERAL TERMS AND CONDITIONS

- Enter overall terms and conditions. Some items to consider include:
  - This arrangement normally applies only to those logistic support, supplies or services of both parties that are physically located in the ROK.
  - The parties understand that this arrangement will not be used as a normal and routine source for logistic support, supplies and services that are reasonably available through Foreign Military Sales.
  - The parties are not to retransfer logistic support, supplies and services obtained through this arrangement to other than the forces of the receiving party without prior consent of the supplying party.
  - This arrangement will not be used by either party to acquire major end items of equipment.
  - The parties will use their best endeavors, consistent with their national priorities, to satisfy the requests of the other party for logistic support, supplies and services not only in peacetime but also in periods of heightened tension of war).

ARTICLE V - SPECIFIC RESPONSIBILITIES

1. The (U.S. activity) will--
  - List additional specific responsibilities not already covered elsewhere.
2. The (ROK activity) will--
  - List additional specific responsibilities not already covered elsewhere.

ARTICLE VI - FUNDING AND REIMBURSEMENT

- Enter method(s) of payment: State either payment-in-cash (PIC) and/or replacement-in-kind (RIK) as methods of repayment for logistics support, supplies and services acquired or transferred under this arrangement.
- Enter any statements required for reimbursable transactions. See chapter 3, paragraph 3-1d.
- Ensure that any ACQUISITIONS or transfers do not exceed current FY authorizations.

- Enter the EUSA finance activity responsible for making payments and collecting payments for material and services acquired under this IA. Include: Unit, Telephone Number, Message address, Mailing address.
- Enter the ROK finance activity responsible for making payments and collecting payments for material and services acquired under this IA. Include: Unit, Telephone Number, Message address, Mailing address.
- State if payment by will be in (dollars or won). All checks will be made payable to the Treasurer of the United States. If payment is by won, the rate of exchange will be IAW the current conversion rate.
- Require copies of all transactions be forwarded to HQ USFK, ATTN: FKJ4-RSM, APO 96301-0009 and ROK party (if requested).

#### ARTICLE VII - DISAGREEMENTS

##### 1. Executive Agents:

- a. The executive agent for (EUSA activity) for all matters affecting terms and conditions of this IA will be (U.S. agency).
- b. The executive agent for (ROK activity) for all matters affecting terms and conditions of this IA will be (ROK agency).

2. Under Article V, paragraph 1 of the U.S.-ROK MLSA, the executive agents agree to make a good faith effort to resolve any disagreements between them with respect to the interpretation or application of this IA. Resolution will be by negotiation and will not be referred to an international tribunal or third Party for settlement.

#### ARTICLE VIII - CLAIMS

- 1. All claims will be resolved by the executive agents.
- 2. Article IV (Excluded Charges) of the U.S.-ROK MLSA will apply to this IA.

#### ARTICLE IX - LANGUAGE

This IA will be accomplished in two (2) originals in the English language and two (2) originals in the Korean language, each text being equally authentic.

ARTICLE X - ENTRY IN FORCE, AMENDMENTS, TERMINATION

1. This IA becomes effective upon signature of both Parties and will remain in effect until rescinded, in writing, (days) in advance by either Party.
2. This IA may be amended or revised at any time by mutual written consent of both Parties hereto.
3. Should this IA be terminated in whole or part by the mutual consent of both Parties, (ROK agency) and (EUSA agency) will provide each other a detailed bill reflecting costs incurred or to be incurred as a result of this termination. Reconciliation will occur IAW Article V, paragraph 1 of the U.S.-ROK MLSA.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 199X at Seoul, Korea.

(APPROPRIATE SIGNATURE BLOCKS)

APPENDIX F

LOGISTIC ADVANCED ASSISTANCE

The format and the minimum information required to request and to respond to a request for logistic assistance are shown below.

F-1. REQUEST

From: (Unit organization formation)

To: (Unit from which items are requested)

INFO: ACoS, J4, FKJ4-RSM  
ACoS, J4, FKJ4-MS-S  
ACoS, J4, FKJ4-P-G  
CDR, 6th SPT Ctr, EANC-SSC

- A. Message/request number (to be prefixed by the usual abbreviation used to identify the originating authority).
- B. Date and time.
- C. Use of form (that is, logistic assistance).
- D. National stock numbers should always be used. When requesting ammunition, use the instructions contained in Land Forces Ammunition Interchangeability Catalogue (NOTAL).
- E. Description of assistance requested. (Use U.S. Army accepted item names whenever possible).
- F. Unit of measure.
- G. Quantity Requested.
- H. Special Instructions (if any).
- I. Stocks held by requesting authority, expressed in terms of appropriate issue quantity.
- J. Operational implications if supply is impossible.
- K. Target date (latest date for delivery).
- L. Miscellaneous. As a minimum, indicate the location and time for the desired delivery of the items requested. Also include the name and civilian address of the paying finance and accounting office, if known.



EUSA Reg 12-16

F-2. RESPONSE

FROM: (Unit from which items are requested)

TO: (Requesting unit)

INFO: Same as above

- A. Message/request number (as given in paragraph A Request form).
- B. Decision of requested authority.
- C. Agency to which USFK Form 209EK should be submitted.
- D. Unit of measure.
- E. Quantity to be issued.
- F. Place of issue (geographic coordinates or installation name), date, and time available.
- G. Method of reimbursement.
- H. Miscellaneous (include the name and address of the paying finance and accounting office, if known).

(Classify as appropriate when completed)

## APPENDIX G

## REPORT FORMAT FOR REIMBURSABLE PURCHASES AND SALES

TITLE 10 USC CHAPTER 138, TRANSACTIONS REIMBURSABLE  
PURCHASES AND SALES

RCS-DD-COMP(A)-1570

DOD Component:

FY \_\_\_\_\_

Implementing Arrangement Number: US \_\_-RK \_\_-\_\_

Applicable Pricing Procedures (1): (in thousands)

Appropriation  
or Fund AccountDollar Value of  
Purchases (Acquisitions)  
(2)Dollar Value of  
Sales (Transfers)

## NOTES:

1. Annotate as reciprocal.
2. Identify dollar value of purchases by supplies other than POL and all purchases including POL.

## APPENDIX H

REPORT FORMAT FOR EXCHANGE TRANSACTIONS  
(NONREIMBURSABLE PURCHASES AND SALES)

TITLE 10 USC CHAPTER 138, EXCHANGE TRANSACTIONS RCS DD-COMP(A)-1570

Implementing Arrangement Number:

FY \_\_\_\_\_  
(in thousands)

## PART I. Receipt Data

| <u>Appropriation<br/>Account</u> | <u>Value of<br/>Materiel Owed at<br/>Beginning of FY</u> | <u>Value of<br/>Materiel<br/>Received<br/>During FY</u> | <u>Value of<br/>Materiel<br/>Replaced<br/>During FY</u> | <u>Value of<br/>Materiel<br/>Owed at<br/>End of FY</u> |
|----------------------------------|--|---|---|--|
|----------------------------------|--|---|---|--|

Component agreement number:

FY \_\_\_\_\_  
(in thousands)

## PART II. Issue Data

| <u>Appropriation<br/>or Fund Account</u> | <u>Receivable<br/>at Beginning<br/>of FY</u> | <u>Value of<br/>Materiel<br/>Issued<br/>During FY</u> | <u>Value of<br/>Materiel<br/>Replaced<br/>During FY</u> | <u>Value of<br/>Materiel<br/>Receivable at<br/>End of FY</u> |
|--|--|---|---|--|
|--|--|---|---|--|

## APPENDIX I

## NONRECIPROCAL PRICE COMPUTATION

I-1. Table I-1 shows the elements that comprise the price to be charged ROK Armed Forces and ROK subsidiary bodies under the nonreciprocal pricing method. Lowercase letters represent the cost elements that normally will be included in the final price for the indicated category of support. Explanations for each element are provided in paragraph I-2.

Table I-1. Nonreciprocal price computation matrix.

|                              | STANDARD PERSONNEL COSTS | PERSONNEL FRINGE BENEFITS | TRAVEL EXPENSES | ACTUAL CONTRACT OR IN-HOUSE COST | STANDARD PRICE | REPLACEMENT SURCHARGE | ACTUAL COST OF SERVICES | 1.5% OF MATERIEL | TRANSPORTATION COST | PROPORTIONATE SHARE OF OPERATION AND MAINT EXPENSES | PACKING, CRATING, AND HANDLING | ASSETS USE | ADMIN SURCHARGE |
|------------------------------|--------------------------|---------------------------|-----------------|----------------------------------|----------------|-----------------------|-------------------------|------------------|---------------------|---|--------------------------------|------------|-----------------|
| FOOD & CLOTHING              |                          |                           |                 | e                                | f              |                       |                         |                  | i                   |   | k                              | 1          | m               |
| BILLETING                    | a                        | b                         |                 |                                  |                |                       |                         |                  |                     |   |                                | 1          | m               |
| TRANSPORTATION               | a                        | b                         |                 |                                  |                |                       | g                       |                  |                     |   |                                | 1          | m               |
| PETROLEUM, OIL AND LUBRICANT |                          |                           |                 | e                                |                |                       |                         |                  |                     |   | k                              | 1          | m               |
| MEDICAL SERVICES             | a                        | b                         |                 |                                  |                |                       | g                       |                  |                     |   |                                | 1          | m               |
| COMMUNICATIONS SERVICES      | a                        | b                         |                 |                                  |                |                       | g                       |                  |                     |   |                                | 1          | m               |
| BASE OPERATION SUPPORT       |                          |                           |                 | d                                |                |                       | g                       |                  |                     |   |                                | 1          | m               |
| STORAGE                      |                          |                           |                 |                                  |                |                       |                         | h                |                     |   |                                |            | m               |
| USE OF FACILITIES            |                          |                           |                 |                                  |                |                       |                         |                  |                     | j   |                                |            | m               |
| TRAINING                     | a                        | b                         | c               |                                  | e              | f                     |                         |                  |                     |   |                                | 1          | m               |
| SPARE PARTS AND COMPONENTS   |                          |                           |                 |                                  | e              | f                     |                         |                  |                     |   |                                | 1          | m               |
| REPAIR & MAINT               | a                        | b                         | c               |                                  | e              | f                     |                         |                  |                     |   | k                              | 1          | m               |
| MEDICAL SUPPLIES             |                          |                           |                 |                                  | e              | f                     |                         |                  | i                   |   | k                              | 1          | m               |

I-2. Explanation of elements that make up nonreciprocal pricing.

a. Standard Personnel Costs. Standard personnel basic pay rates.

b. Personnel Fringe Benefits. Cost of personnel fringe benefits:

(1) Leave and Holiday: 18 percent of base pay.

(2) Military: Officers: 8 percent of composite pay rate plus leave and holiday percentage. Enlisted: 23 percent of composite pay rate plus leave and holiday percentage.

(3) Military Retirement: 26.5 percent of composite pay rate plus leave and holiday percentage.

(4) Civilian: 26 percent of base pay rate plus leave and holiday percentage.

c. Travel Expenses. Actual travel expenses resulting from travel associated with transfer of support.

d. Actual Contract In-House Cost. Actual contract or in-house cost.

e. Standard Price. Standard price in effect on date item is dropped from inventory.

f. Replacement Surcharge. The replacement surcharge changes each year. The supporting resource management officer will provide current FY surcharge percentages.

g. Actual Cost of Services. Actual cost of services provided.

h. 1.5 Percent of Materiel. 1.5 percent of materiel stored (computed annually).

i. Transportation Costs. Usually 14.25 percent of stock, if replenished for CONUS, otherwise actual costs apply.

j. Proportionate Share of Operation and Maintenance Expenses. Proportionate share of operating and maintenance expenses.

k. Packing, Crating, and Handling. 3.5 percent of the first \$50,000 of the unit price plus 1 percent of the amount over \$50,000.

l. Asset Use. For issues from stock, 1 percent of the unit price or actual cost; for use of facilities, 4 percent of the cost of the service provided.

m. Administrative Surcharge. Unless waived in the governing IA, the surcharge will be 3 percent of the base price.

## GLOSSARY

## SECTION I. ABBREVIATIONS

|         |                                      |
|---------|--------------------------------------|
| ACofS   | Assistant Chief of Staff             |
| APC     | account processing code              |
| CINCPAC | Commander in Chief, Pacific          |
| CofS    | Chief of Staff                       |
| DA      | Department of the Army               |
| DOD     | Department of Defense                |
| EOR     | element of resource                  |
| EUSA    | Eighth United States Army            |
| FAO     | Finance and Accounting Office        |
| FAR     | Federal Acquisition Regulation       |
| FCO     | fund control officer                 |
| FY      | fiscal year                          |
| HQ      | headquarters                         |
| IA      | implementing arrangement             |
| IAW     | in accordance with                   |
| MLSA    | Mutual Logistic(s) Support Agreement |
| MLS     | mutual logistics support             |
| MND     | Ministry of National Defense         |
| MPA     | Military Personnel, Army             |
| MSL     | mutual support legislation           |
| NATO    | North Atlantic Treaty Organization   |
| NMSA    | NATO Mutual Support Act              |
| OMA     | Operation and Maintenance, Army      |

## EUSA Reg 12-16

|           |   |
|-----------|---|
| PIC       | payment in cash                           |
| POL       | petroleum, oils and lubricants            |
| RIK       | replacement-in-kind                       |
| RMO       | Resource Management Office                |
| ROK       | Republic of Korea                         |
| ROKA      | Republic of Korea Army                    |
| SJA       | Staff Judge Advocate                      |
| STANFINS  | Standard Financial System                 |
| TDA       | table of distribution and allowance       |
| TOE       | table(s) of organization and equipment    |
| U.S.      | United States (of America)                |
| USC       | United States Code                        |
| USCINCPAC | United States Commander in Chief, Pacific |
| USFK      | United States Forces, Korea               |

## SECTION II. TERMS

**ACQUISITION.** Referring solely to the actions of U.S. Army elements, purchasing, renting, leasing, or otherwise obtaining logistic support from the ROK.

**CONCLUSION.** The act of signing, initialing, responding, or otherwise indicating acceptance of a binding support agreement, IA, order form or MLS document.

**CROSS-SERVICING AGREEMENT.** Any agreement concluded with the government of another country under which the U.S. agrees to provide logistic support, supplies, or services to the armed forces of such government in return for the reciprocal provision of logistic support, supplies, and services, by such country to the U.S. Armed Forces. Such cross-servicing agreements establish principles and provisions for effecting required support, but do bind either party to any particular number or monetary value of transactions. (Cross-servicing agreements have also become known as umbrella agreements, mutual logistics support agreements, or bilateral support agreements; all are identical in meaning.)

**GENERAL IMPLEMENTING ARRANGEMENT.** An IA that does not contain quantified support requirements or related cost data, but provides general procedures for requesting, receipting, and billing for a wide range of logistic support.

**IMPLEMENTING ARRANGEMENT.** An arrangement that specifies the details of the logistic support to be rendered or received, applicable financial requirements and the activities authorized to accept and receive orders.

**LOGISTIC SUPPORT, SUPPLIES, AND SERVICES.** Food, billeting, transportation (except airlift), POL, clothing, communication services, medical services, ammunition, base operations support (and construction incident to base operations support), storage services, and support, less major construction, Army projects, use of facilities, training services, spare parts and components, repair and maintenance services, and air and seaport services (see appendix B).

**MUTUAL LOGISTICS SUPPORT AGREEMENT.** An agreement negotiated by the Commander, USFK, with a representative of the ROK Government under which the United States agrees to provide logistic support, supplies, and services to the ROK Armed Forces in return for the reciprocal provision of logistic support, supplies, and services to the U.S. Armed Forces. The MLSA established principles and provisions for effecting required support, but did not bind either party to any particular number or monetary value of transactions.

**NEGOTIATION.** The communication by any means of a position or an offer, or acceptance of a position or an offer on behalf of the U.S. Government to an agent or representative of the ROK in such detail that acceptance in subsistence of such position or offer would result in a support agreement or IA. The term also includes any such communication even though conditioned on later approval by the responsible authority. The term also includes provision of a draft agreement or other document the acceptance of which would constitute an agreement, as well as discussions concerning any such document whether or not titled "agreement." It does not include preliminary discussions or routine meetings where no draft documents are discussed, so long as such discussions or meetings are conducted on the understanding that the views communicated do not and shall not bind any side, legally or otherwise.

**NONREIMBURSABLE TRANSACTION.** See Replacement-In-Kind Transaction.

**RECIPROCAL PRICING.** The principle for price determination under which the same prices are charged by the supplying government as it charges its own armed forces for identical logistic support.

**REIMBURSABLE ACQUISITION AND TRANSFER AUTHORITY.** Annual authorizations permitting reimbursable acquisitions and transfers in specified total dollar amounts IAW support agreements or IAs.

**REPLACEMENT-IN-KIND (RIK) TRANSACTION.** The trading of support, supplies, or services in return for support, supplies, or services of an identical or substantially identical nature within specified time constraints, not to exceed 12 months.



**SPECIFIC IMPLEMENTING ARRANGEMENT.** An IA that is concluded for a specific exercise or project containing detailed support requirements and certified cost data.

**SUBSTANTIALLY IDENTICAL NATURE.** Used in reference to RIK transactions referring to supplies or services that are of similar quality and are generally the same in material respects and provide basically the same form, fit, or function. For example, bus transportation might be exchanged for comparable truck transportation, prepared meals for prepared meals, or battalion training weeks for battalion training weeks.

**TRANSFERS.** Referring solely to the actions of U.S. Army elements, the term includes selling (that is, payment in currency or RIK), renting, leasing, or otherwise furnishing logistic support, supplies, or services.

**U.S. FORCES, KOREA.** Eighth United States Army; United States Air Forces, Korea; United States Naval Forces, Korea, and the United States Marine Forces, Korea, when established.

**VALUE FOR VALUE.** The exchange of items which do not have the same form, fit, or function, but are of comparable value (that is, the cost of a water pump for a tank could be equal to the cost of two jeep tires).